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BLACK MONEY

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SAUDI MONEY TRANSFERS - SUSPICIOUS ACTIVITY REPORT

The Suspicious Activity Report below reveals what appears to be a personal use of funds from the Al Yamamah arms deal by Prince Bandar bin Sultan. It shows payments totaling \$17 million to an architect in Saudi Arabia for work on one of the prince's palaces. The funds were sent from one of the Saudi Embassy's Riggs Bank accounts into which \$2 billion in Al Yamamah funds were paid.

CBRS		SUSPICIOUS ACTIVITY REPORT		01/30/2004	
DCN:	[REDACTED]			2 OF 2	
<p>CONCERN OVER QUARTERLY PAYMENTS OF APPROXIMATELY \$4,000,000 MADE TO MR. SHORBATLI FROM THE SAUDI MINISTRY ACCOUNT. THE AUDITORS WERE UNABLE TO DETERMINE THE PURPOSE OF THE QUARTERLY PAYMENTS. RIGGS INVESTIGATIONS QUERIED WORLD-CHECK FOR IBRAHIM SHORBATLI WITH NEGATIVE RESULTS. RIGGS INVESTIGATIONS CONTACTED MR. SAMI NASSAR, VICE PRESIDENT, EMBASSY BANKING. NASSAR REPORTED THAT MR. SHORBATLI COORDINATES HOME IMPROVEMENT/CONSTRUCTION PROJECTS FOR PRINCE BANDAR IN SAUDI ARABIA. NASSAR STATED THAT THE LARGE QUARTERLY PAYMENTS TO MR. SHORBATLI ARE FOR THE CONSTRUCTION OF A NEW SAUDI PALACE. LARGE SUMS OF MONEY ARE BEING SENT FROM THE RESA ACCOUNT IN WASHINGTON AND ARE BEING CASHED BY AN INDIVIDUAL IN SAUDI ARABIA. RIGGS EMBASSY BANKING'S SAMI NASSAR PROVIDED A POSSIBLE EXPLANATION FOR THE DESTINATION OF THE FUNDS. HOWEVER, RIGGS INVESTIGATIONS WAS UNABLE TO DETERMINE THE EXACT DESTINATION AND PURPOSE OF THOSE FUNDS.</p>					
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One reason banks are required to file Suspicious Activity Reports (SARs) is when they suspect funds come from or disguise illegal activity. The Treasury, which receives the reports, calls SARs "one of the government's main weapons in the battle against money laundering."

This SAR, and others involving the Saudi Embassy accounts, were leaked to the press. The resulting stories in [Newsweek](#) and [The Washington Post](#) gave a rare inside view of the spending habits and accounting practices of the Saudi royal family.

The SARs also proved interesting to the FBI, who had been investigating Saudi finances since 9/11 for any link to Al Qaeda and other terrorist organizations.

Dennis Lormel, who supervised the investigation of the Saudi Embassy accounts, says the FBI found no connection to terrorism in these accounts, but did see suspicious movements of large amounts of cash: "It seemed like activities that I would see in money laundering or other types of investigations," he told FRONTLINE.

Prince Bandar was not charged with a offense and his legal representative, former FBI Director [Louis Freeh](#), maintains that there is no impropriety here:

"If you look at the dispersements in those accounts, [the] \$17 million for his 'residence' was not his residence. It's a government-owned property in the Kingdom of Saudi Arabia which they make available to senior members of the Royal Family to live [in].

"These [accounts] were regularly audited by the [Saudi] Ministry of Finance, and found to be totally proper."

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